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## A DUTCH COÖPERATIVE EXPERIMENT.

A book of seventy-six pages, with eight supplementary pages of highly instructive statistical diagrams, contains the English translation of a volume published by Mr. J. C. Van Marken on the occasion of the Paris Exposition. It describes, with numerous half-tone illustrations, a social experiment, or group of experiments, on a relatively minute scale, to be sure ; but the theory that has inspired them, and the degree of success which they have attained, make them well worth attention.

The industrial companies of Hof van Delft consist of :

1. The *Netherlands Yeast and Spirit Company, Limited*, with a capital of \$560,000. It has applied the system to be described since 1870.

2. The *Netherlands Oil Company, Limited*, with a capital of \$750,000, and experience of eighteen years with the experiment.

3. The *Glue and Gelatine Factory*, with a capital of \$80,000, and with ten years' application of Mr. Van Marken's system.

4. The *Van Marken Press*, of which the author speaks with most enthusiasm, although it is in extent, capital, and number of workmen the least important member of the group. In this enterprise the author has been able to apply his ideas most radically and, as he thinks, most successfully.

The four companies are distinct and independent legally, but the offices and shares are so largely in the hands of the same people that they are virtually operated in accordance with a single program. The particular features of the *Press* may be described after the more general system has been outlined.

The author's own statement is the best epitome of the operations which his theories have inspired, viz.:

The mother-idea which directed the following social organization may be summed up as follows :

In the existing state of society man's life traverses three stages.

First he demands his *daily bread*, the means of his immediate material existence, for himself and for the family which, according to the law of nature, he has the right to procreate.

Then he seeks to *insure his daily bread*, the material existence of his family, in all normal circumstances of life, as well as in all its unforeseen crises.

His material existence being insured, he exacts, and has the right to exact, something beyond: the *beautifying of life*, the raising of the moral and intellectual level, recreation.

In the existing state of society it is impossible for the mass of mankind to attain the latter, too difficult to arrive at the second, often even at the first stage.

In the existing reciprocal relation between capital and labor, it seems to me to be the duty of one who has found through favoring circumstances, or who has created by his own energy, a company of men around him, co-workers in a commercial or industrial aim—it seems to me the duty of the employer to aid his subordinates by every means at his command, his heart, his intellect, his money, to attain that highest stage which alone makes human life worth the living.

My conviction is that in so doing the employer will make no sacrifices. But if he needs must make them, be it from the material or the moral point of view, let him make them up to the limits of his capacity. *It is his sacred duty.*

Then follows a chart of the experiment in its various details. We reproduce it in full:

#### SCHEME OF THE SOCIAL ORGANIZATION.

##### I. WORK AND WAGES.

##### A. BASES OF WAGES.

###### (a) *Minimum.*

1. Wages in relation to local wants.

###### (b) *Classification.*

2. Wages according to kind of work.

##### B. ADDITIONS TO WAGES.

###### (a) *Premiums.*

3. Premium for extra work.
4. Premium for skill.
5. Premium for zeal.
6. Premium for coöperation.

###### (b) *Insurances.*

7. Premiums paid by the company.

###### (c) *Gratuities.*

8. Rewards for exceptional merit.

###### (d) *Profit-sharing.*

9. Individual share of profits.
10. Collective share of profits.
11. Special share of profits.

## C. BASES OF HOURS OF LABOR.

(a) *Duration of work.*

12. Normal work time (sixty hours weekly).
13. Limitation of overtime, of night work, of Sunday labor.

(b) *Holidays.*

14. Minimum, three days a year.

## II. MATERIAL INTERESTS.

## A. SUPPORT DURING NORMAL CIRCUMSTANCES OF LIFE.

(a) *Regulation of the budget.*

15. Payment of a fixed sum weekly.
16. Quarterly balancing of wages and premiums.

(b) *Savings.*

17. Voluntary savings bank.
18. Compulsory savings bank.

(c) *Share in the company's capital.*

19. Parts of shares.

(d) *Hygiene and safety in the factory.*

20. Workmen's watch committee.
21. Fire brigade.
22. Refreshment room.
23. Baths.
24. Working costumes.
25. Wardrobe.

(e) *Cööperation ("Collective Property Co., Ltd.").*

26. Workmen's dwellings.
27. Allotment gardens.
28. Grocery stores.
29. Haberdashery and clothing store.

## B. SUPPORT IN CRITICAL TIMES.

(a) *Sickness.*

30. Wages paid for eight weeks.
31. Compulsory sick club.
32. Voluntary mutual-aid society.
33. Material and moral support of the family.
34. Sister of charity (lay); sick attendant.

(b) *Accidents.*

35. Dressing ward.
36. Ambulance class.
37. Wages paid until recovery.
38. Material and moral support of permanent invalids.

(c) *Marriage.*

39. Partial withdrawal of compulsory savings.

- (d) *Accouchement.*
  - 40. Partial withdrawal of compulsory savings.
- (e) *Old age.*
  - 41. Total withdrawal of compulsory savings.
  - 42. Retiring pension at the age of sixty.
- (f) *Death.*
  - 43. Insured capital.
  - 44. Total repayment of compulsory savings.
  - 45. Widows' funds.
- (g) *Fire.*
  - 46. Collective insurance.
- (h) *Unforeseen circumstances.*
  - 47. Advances on wages.
- C. SUPPORT OF THE COMMUNITY.
  - (a) *Budgets of the institutions.*
    - 48. Fund for common purposes.

### III. INTELLECTUAL AND MORAL DEVELOPMENT.

- A. TEACHING AND CARE OF CHILDREN.
  - (a) *Children in general.*
    - 49. Playground.
    - 50. Surveillance of school attendance.
    - 51. Scholars' festivals; prizes.
    - 52. Prize for excellence founded by British bakers.
    - 53. Children's library.
  - (b) *Children under six years of age.*
    - 54. Kindergarten (Froebel's system).
  - (c) *Boys of twelve to eighteen.*
    - 55. School of manual work.
  - (d) *Little girls of six to thirteen.*
    - 56. Knitting school.
  - (e) *Young girls from thirteen to sixteen.*
    - 57. Sewing school.
  - (f) *Girls of over sixteen — mothers of families.*
    - 58. Sewing, mending, and cutting-out classes.
    - 59. Domestic economy classes.
- B. APPRENTICESHIP.
  - (a) *Apprentices in general.*
    - 60. Repetition classes.
    - 61. Gymnastic classes.
    - 62. Students' excursions.
  - (b) *Apprentices in the workshop.*
    - 63. Professional course.

(c) *Young clerks.*

- 64. Grammar and correspondence classes (four languages).
- 65. Bookkeeping class.
- 66. Class in commercial law.

## C. INTELLECTUAL DEVELOPMENT FOR ADULTS.

(a) *Reading.*

- 67. Public library.
- 68. Van Marken library.
- 69. Reading-room.
- 70. Circulating portfolios of periodical literature.

(b) *Meetings.*

- 71. Conferences.

## IV. SPIRIT OF COMRADESHIP AND COMMUNITY.

## A. PLACES OF RECREATION.

- 72. "Agneta Park."
- 73. "The Villa."
- 74. "The Tent," summer casino.
- 75. "The Community."

## B. FÊTES, MEETINGS, CLUBS.

(a) *Fêtes.*

- 76. The festival day of the community.

(b) *Musical societies.*

- 77. Harmonic (band).
- 78. Symphonic (orchestra).
- 79. Choral society.

(c) *Athletic clubs.*

- 80. "Sparta," gymnastics and fencing (young men).
- 81. "Olympia," gymnastics (young women).
- 82. Rowing, skating.
- 83. Skittles.
- 84. Billiards.
- 85. Archery.
- 86. Rifle shooting.
- 87. Tourning.

(d) *Meetings.*

- 88. Meetings for promotion of coöperation.
- 89. Magic lantern ; lantern lectures.
- 90. Concerts.
- 91. Theater, elocution.
- 92. Balls.

(e) *Exhibitions, competitions.*

- 93. Flower, garden-produce, and allotment shows.

- 94. Athletic sports.
- 95. Exhibition of manual work.
- 96. Permanent industrial and social exhibition.

C. FAMILY RECREATION.

- (a) *Fête days, family gatherings, sickness.*
- 97. Games and toys at the disposal of families.

V. SOCIAL UNDERSTANDING AND AGREEMENT.

A. SOCIAL ORGANIZATIONS.

- (a) *Directorial organizations.*
  - 98. Section, "interests of the staff."
  - 99. Social secretariat.
  - 100. "The Factory Messenger."
- (b) *Representatives of the staff.*
  - 101. The "Kernel."
    - Chamber of higher employés.
    - Chamber of clerks and overseers.
    - Chamber of labor.
  - 102. The "United Committee."
    - The committee for material interests.
    - The finance committee.
    - The committee for intellectual interests.
    - The committee for recreation.

B. SOCIAL MANIFESTATIONS.

- (a) *Emblems.*
  - 103. Banners, ensigns, flags.
- (b) *Homage.*
  - 104. "The Old Guard."
  - 105. Honorary members of the staff.
  - 106. Service cross; the Book of Gold.
  - 107. Public funerals.

One might gather from this prospectus that the Agneta Park community is either a Rasselas' Happy Valley actually discovered, or a paper scheme to which nothing corresponds in reality. Apparently the truth is something between these extremes. There is nothing in the experiment which can properly encourage the class who are dreaming of a social system in which everybody can get something for nothing. Nothing is distributed in the community which is not first produced by the community. There is no double pay for half work. On the other hand, there is extensive recognition of the principle that the

responsibilities of industrial coöperators do not cease with the discharge of legal obligations in the economic process. The principle of coöperation is carried into all the interests of the community.

The body of the book consists of details in explanation of the 107 specifications in the above chart. It is not practicable to summarize them, but a single sample section may be quoted, viz., 18, *Compulsory Savings Bank*:

The premiums for zeal and coöperation, and the share of net profits, are not paid entirely in cash to all the members of the staff. A part, according to the age of the person concerned, and to the number of his children, is paid into the "Premium Savings Bank."

The following proportion of their premiums and of their share of profits is paid in by:

Young men under eighteen (apprentices),	-	-	-	-	90 per cent.
Young men from eighteen to twenty-three,	-	-	-	-	75 per cent.
Unmarried men over twenty-three,	-	-	-	-	50 per cent.
Married men without children,	-	-	-	-	40 per cent.
Married men with one child under fifteen,	-	-	-	-	30 per cent.
Married men with two children under fifteen,	-	-	-	-	20 per cent.
Married men with three children under fifteen,	-	-	-	-	10 per cent.
Only married men with four children under fifteen receive their premiums and their proportion of profits entirely in cash.					

Interest at 1 per cent. (4 per cent. annually) on the amounts paid into the compulsory premium savings bank is credited every three months to each depositor. The latter receives, at the end of each quarter, an abstract of his account. The revenue thus obtained may be taken once annually.

Withdrawals take place on the occasion of marriage, the lying in of the workman's wife, when the depositor attains the age of sixty, and in case of death. In any of the other particular circumstances of life withdrawals may be asked for. The directorate decides whether these circumstances, as alleged by the workman, justify a total or partial withdrawal.

This obligation to save has always had happy results, which have been generally appreciated by all those who have experienced them. Of late there are those who call for the abolition of this compulsory saving; such a proceeding would certainly be equivalent to the suppression of the bank, and ought to be considered a most regrettable fact.

The advocates of this abolition pretend that the members of the staff are men enough to watch over their personal material interests and those of their families themselves. They forget that few individuals are strong enough to deprive themselves of the satisfaction of the daily wants of the family in order to put something aside in view of the extraordinary circumstances of life. Once obliged to do so, then the household expenditure is regulated on



the fixed weekly revenue, and the deprivation of a few pence is hardly felt. Besides, this method of saving allows young people to get married without making debts, which often weigh heavily and for a long time on the household, and from which they often do not free themselves during a lifetime, having once contracted the habit.

Deposits and interest, 1879-99, - - - - -	£14.133
Repayments, 1879-99, - - - - -	10.070
December 31, 1899, 264 persons had right to balance of - - -	4.063

It is needless to comment on the difference between the temper of Europeans and Americans toward arrangements that would here be called paternalistic. Whatever the merits of the scheme, it would certainly encounter more difficulties among our people than in Holland and Belgium.

Although the organization of the *Press* differs in detail from that of the other companies, the founder's account of the system there in operation may best indicate the spirit, and in some measure the results, of the whole undertaking. His own language will best tell the story:

The articles of association of the *Van Marken Press* open with the following declaration of the principles of the founders:

That they consider *labor* in the Van Marken Press, Limited, as a co-undertaker, who has the right to co-discussion and co-decision of the interests of the company, according to the statutes of the present act.

That the influence of capital — that is to say, of the amounts subscribed by the shareholders — upon the results of the undertaking, is limited by its amount, whilst the influence of intellectual and physical labor is unlimited in proportion to the will and zeal of the workman.

That consequently the shareholders cannot justly claim more than a limited share of the profits — greater in proportion as the profits are more uncertain and the risks greater — as opposed to the unlimited just claim of labor.

That it is desirable to gradually transfer to labor the co-proprietorship and finally the sole proprietorship of the means of production, that is to say, the shares in the company, which end the undersigned propose to attain by means of saving the profits allotted to labor, against repayment to the shareholders of the amounts subscribed.

In accordance with these principles the first article of the statutes stipulates:

That the company is an association of capital and labor which undertakes the execution of all work connected with the printing industry, with the intention:

1. Of paying in the first place to the associate workpeople a salary fixed for the adult at a minimum which, in the judgment of the associates, appears necessary to supply the modest but reasonable needs, according to the local circumstances of the time, of a workman's family of normal size.

To reserve in addition, to the associate workpeople, all the profits of the company after the services of capital have been rewarded, as follows:

2. Of assuring to the capital of the company a modest interest and at the same time an equitable return for the risks to which the founders' capital is exposed in the founding of a new undertaking, as well as for the risks to which the capital remains exposed by the nature of the business.

3. Of transferring the property in the capital of the company in succession to those who shall participate regularly in its work, by means of the savings of profits allotted to the associate workers.

The business is managed by three very capable clerks in the yeast factory, who give up to it their leisure.

The management is under the control of one or several commissioners, and provisionally under my own.

The directors as well as the workmen and clerks are reckoned as associate workers, nominated as such by the "Council of Labor," consisting of the managing directors, the commissioner (or commissioners), and one delegate or more of the working associates. Before the nomination every working associate is asked to give his opinion on the candidate.

The associate workers, after one or two years' service, becoming shareholders, they acquire the right of being present at the general meetings, of taking part in the deliberations, and of voting. All shareholders have one vote per five shares, up to the maximum of six votes.

The distribution of profits is regulated as follows: After the deductions necessary for redemption of buildings and plant, 6 per cent. of the paid-up capital is paid to the shareholders as interest and premium for risk. If the profits in any year or years do not suffice to pay this dividend, or any part thereof, the other participants will have no claim to any profits during the succeeding years, until all the arrears of dividend on capital at the rate of 6 per cent. per annum have been paid to the shareholders.

The figure 6 per cent. is open to discussion. One may raise it to 7, 8, 10 per cent., or more, according to the nature of the business and the contingent risks, without destroying the principle of the limitation of the rights of capital.

The remainder of the profit is thus divided: 25 per cent. to the directors, for management; 50 per cent. to the associate workers (directors, clerks, workmen) *pro rata* to their wages; 3 per cent. to the commissioners, for control; 12 per cent. to the founders, for services rendered.

One-half of this 12 per cent. is reserved to those who have contributed by their advice to the foundation of the business; the other half, to the original shareholders who exposed their capital to the acute risk involved in the foundation of a new enterprise. The rights to this share of profits are personal; on the death of one having these rights, his share returns to the associate workers. By this time one founder's share has returned in this manner.

The final 10 per cent. is at the disposal of the general meeting, and will be utilized for the advancement either of labor interests in general or of the associated workpeople in particular.

The share of profits reserved for shareholders, founders, and the final 10

per cent. at the disposal of the general meeting are paid in cash. But the share coming to the associate workers, to each of the directors and workmen, is paid partly in cash, according to the age and the number of children of each; the rest, being at least 50 per cent., is deposited in the profit savings bank, and each time that the amount standing to the credit of a depositor reaches the sum of 100 florins, the holder of a numbered share, drawn by lot, is repaid the sum of 100 florins against the transfer of the share to the depositor.

What has the Van Marken Press become under this system today, that is to say, eight years from its foundation? It has become the most important printing-office in Delft. Its turnover of 18,300 florins in 1892 has grown year by year to 44,700 florins in 1899. The number of workmen shareholders has advanced from seven to thirteen. Their minimum salary is 12 florins, whilst the average wage of a compositor in Delft is generally 9 florins. After eight years 195 of the 250 shares at 100 florins which constituted the share capital have been paid off to the capitalist founder at par, and have passed into the hands of labor in its different forms (management, hand labor, and control). Probably in two years more, that is to say, after ten years of existence, the motto "Through labor, for labor," will be realized: the shares of the capitalist founder will be entirely redeemed.

The moral influence is enormous, the zeal general and complete. One striking fact is to be noted: at the general meeting of last year the workmen shareholders made the proposal, signed by all, to double the salary of the directors; it was voted unanimously.

In conclusion I must still draw attention to one point of extreme importance in this organization. Three shareholders have left for various reasons; two have died; thirty-one shares are today in the hands of third parties, strangers to the printing works. It is evident that it will not stop there. Others will leave or die. In twenty, thirty, or forty years all the workmen, directors or actual workmen, holders of the shares, will have disappeared from the printing works, taking their shares, leaving them as an inheritance to their children, selling them. Then we shall have again capital and labor separated one from the other, perhaps one against the other. What will have been definitely gained by the system?

Nothing, certainly, if you stop at the simple transference of the shares. But as soon as the last share has passed from the hands of the original shareholders into the hands of labor, we must begin anew the work of transference in the same order of the numbered shares as at the first transmission. And after this second transference will come the third, and so on. So that the last profits will always be used to expropriate, for the profit of the acting workmen, the shareholders whose capital has had the greatest number of years of service, whose shares bear the oldest date of the last transference.

For complete details of this variation of the coöperative

ideas the reader must be referred to the book itself. It is not now in order to discuss the strength or the weakness of the plan as an economic device. We have a single suggestion to offer, however, from the purely sociological standpoint.

Recurring to the "Scheme of the Social Organization" (p. 81), we find in it rather remarkable provision for each of the six divisions of human needs: health, wealth, sociability, knowledge, beauty, and rightness. The feeling must grow upon the critic, however, that the level of life which the scheme contemplates does not rise above the æsthetic. The morality seems to be predominantly that of things and bodies. The goods of the soul provided for are not more refined than those to be appraised at last by eye and ear. In short, there is notable and regrettable absence of a distinct and frank religious element. One need not be a bigot nor a zealot, one need not mean by religion any credal formula, but one is not a whole man if life can seem complete without including enthusiastic devotion to a good above and beyond all that the other life-categories contain. It may be answered that we are dealing with a scheme of economic distribution, and that religion is an individual matter with which industrial organization should not interfere. But this particular scheme of industrial organization really assumes social interest in all the goods of life. It amounts to a social partnership in a complete life-program. It would be a much more completely balanced scheme if it provided for at least as much coöperation in promotion of religion as it contemplates in the enjoyment of art.

ALBION W. SMALL.